

Message Text

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ACTION L-03

INFO OCT-01 AF-08 ISO-00 EB-07 OPIC-03 AID-05 COME-00

OMB-01 TRSE-00 /028 W

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R 090931Z JUL 76

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 141

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FOR STEPHEN WILDEN L/M

E.O. 11652: N/A

TAGS: CFED EINV OPIC ET

SUBJECT: TAW TRANSFERS

REF: A) ADDIS ABABA 7265, B) STATE 156366, C) STATE 157555, D) ADDIS

ABABA 1446

1. EMBASSY OFFICER MET WITH ATO BEKELE MELESSIE, EXCHANGE CONTROLLER OF NATIONAL BANK OF ETHIOPIA, JUNE 30 TO DISCUSS TAW CASE. IN ACCORDANCE WITH APPROACH SUGGESTED REF A AND COONCURRED IN BY DEPT, EMBOFF ATTEMPTED TO CONVINCE BEKELE TO WRITE LETTER TO TAW REQUESTING INFORMATION WHICH NBE REQUIRES FROM THE FIRM. BEKELE RESISTED STRONGLY, SAYING THAT THE LETTER SHOULD BE WRITTEN BY THE EMBASSY AS THE ORIGINATOR OF THE INQUIRY INTO THE TAW CASE. EMBOFF EXPLAINED THAT THE CHANCE OF OBTAINING COOPERATION FROM TAW WOULD BE MUCH GREATER IF THE NBE RATHER THAN THE EMBASSY WROTE THE LETTER GIVEN THE ADVERSARY RELATIONSHIP BETWEEN TAW AND OPIC. NEVERTHELESS, BEKELE RESUSED TO WRITE THE LETTER AND IMPLIED THAT IF THE EMBASSY WAS INTERESTED IN THIS MATTER, THE LETTER WOULD HAVE TO COME FROM US.

2. WHILE WE ARE NOT OPTIMISTIC CONCERNING TAW'S COOPERATION IN RESPONDING TO SUCH A LETTER, IT IS APPARENT THAT THE ONLY HOPE WE HAVE FOR EVENTUALLY OBTAINING NBE'S CONCURRENCE IN ISSUING THE STATEMENT WE DESIRE IS TO SEND LETTER TO LOCAL TAW OFFICE POSING QUESTIONS WHICH NBE NEEDS ANSWERED, WITH A COPY TO BEKELE. THUS
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EMBASSY PROPOSES FOLLOWING TEXT TO THE DEPT FOR APPROVAL. QUOTE:

DEAR ATO ASRAT: IN CONNECTION WITH AN INVESTIGATION BY THE NATIONAL BANK OF ETHIOPIA INTO THE TRANSFERS OF FUNDS FROM TAW'S ACCOUNT AT THE COMMERCIAL BANK OF ETHIOPIA TO THE ACCOUNT OF THE UNITED STATES EMBASSY, I HAVE BEEN ASKED BY ATO BEKELE MELESSIE, THE EXCHANGE CONTROLLER OF THE NATIONAL BANK, TO REQUEST YOUR ASSISTANCE IN PROVIDING INFORMATION TO THE NATIONAL BANK, SPECIFICALLY, ATO BEKELE IS INTERESTED IN THE FOLLOWING THREE TRANSFERS:

54,712.17 ETHIOPIAN DOLLARS MAY 29, 1975
71,123.00 ETHIOPIAN DOLLARS AUGUST 22, 1975
12/419.50 ETHIOPIAN DOLLARS AUGUST 22, 1975

THE NATIONAL BANK WOULD LIKE TO KNOW HOW THE TRANSFERS WERE ARRANGED AND WHY THE COMPANY DID NOT INFORM THE EXCHANGE CONTROLLER'S OFFICE OF THE TRANSFERS.
IF YOU HAVE ANY QUESTIONS REGARDING THE EXPLANATION REQUIRED BY THE NATIONAL BANK, I WOULD SUGGEST THAT YOU CONTACT ATO BEKELE DIRECTLY.
SINCERELY, END QUOTE.

3. WHILE WE RECOGNIZE THAT THIS APPROACH OFFERS TAW AN OPPORTUNITY TO ARGUE THAT USG "FORCED" TAW TO MAKE THE TRANSFERS OR TO MAKE OTHER CHARGES AGAINST USG/OPIC/EMBASSY, WE BELIEBE THAT UNLESS WE COMPLY WITH BEKELE'S REQUEST AND WRITE LETTER, WE WILL HAVE LITTLE OR NO CHANCE OF OBTAINING A STATEMENT FROM NBE REGARDING THE TRANSACTIONS.

4. EMBOFF MET INFORMALLY WITH ATO ASRAT ABEBE, LOCAL TAW MANAGER FOR ETHIOPIA, ON JULY 2 IN AN ATTEMPT TO DETERMINE WHAT TAW'S RESPONSE TO SUCH A LETTER WOULD BE. ASRAT REPLIED THAT HE WAS NOT AUTHORIZED TO TAKE ANY DIRECT ACTION IN THE CASE AND HE WOULD HAVE TO FORWARD THE LETTER TO TAW VICE PRESIDENT ERNEST KALIBALA IN NAIROBI. ASRAT SAID HE DID NOT KNOW WHAT KALIBALA'S REACTION WOULD BE.

5. AN ALTERNATIVE APPROACH WOULD BE FOR OPIC/DEPT TO CONTACT TAW'S HEADQUARTERS AND ASK THAT OFFICE TO PROVIDE THE NECESSARY INFORMATION TO THE NATIONAL BANK OF ETHIOPIA. SUCH A STRATEGY MIGHT SAVE VALUABLE TIME AND WOULD BRING THE MATTER TO THE ATTENTION OF THE TAW MANAGEMENT WHICH WAS INVOLVED IN THE ARRANGEMENT TO LIMITED OFFICIAL USE

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TRANSFER THE FUNDS AND WHICH IS CURRENTLY PARTY TO THE SUIT IN THE US. IF OPIC/DEPT BELIEVES IT WOULD BE MORE ADVISABLE TO REQUEST INFORMATION FROM TAW HOM OFFICE, TEXT OF LETTER PROPOSED PARA TWO COULD BE ADAPTED TO MEET THAT REQUIREMENT.

6. PER INSTRUCTIONS REF C, DURING DISCUSSION WITH BEKELE EMBOFF ALSO ATTEMPTED TO OBTAIN DETAILS REGARDING ONGOING TAW TRANSFERS. BEKELE RESPONDED THAT NBE WAS NOT ABLE TO DISCLOSE ANY INFORMATION

REGARDING AN ACCOUNT OR TRANSFERS FROM THAT ACCOUNT WITHOUT THE AUTHORIZATION OF THE ACCOUNT HOLDER. IT WAS APPARENT THAT BEKELE DID NOT REALIZE THAT HE HAD CASUALLY MENTIONED TAW TRANSFERS DURING OUR PREVIOUS CONVERSATION (REF A). THE POSITION OF THE COMMERCIAL BANK OF ETHIOPIA, WHERE TAW HOLDS ITS LOCAL CURRENCY ACCOUNT, REGARDING DISCLOSURE OF INFORMATION WAS EXPLAINED IN REF D. THERE IS LITTLE IF ANY CHANCE THAT THE EMBASSY WILL BE ABLE TO OBTAIN ANY INFORMATION REGARDING THE TAW ACCOUNT OR CURRENT TRANSFERS FROM THAT ACCOUNT FROM EITHER BANK.

7. IF, ON THE BASIS OF AVAILABLE INFORMATION, OPIC BELIEVES THAT THESE TRANSFERS VIOLATE AN ORDER OF NEW YORK SUPREME COURT, EMBASSY SUGGESTS THAT THE COURT ORDER BE BROUGHT TO THE ATTENTION OF THE COMMERCIAL BANK OF ETHIOPIA AND THE NATIONAL BANK OF ETHIOPIA THROUGH THE APPROPRIATE LEBAL CHANNELS.

8. DURING CONVERSATION WITH LOCAL TAW MANAGER, EMBOFF ASKED IN OFFHAND MANNER WHAT TAW WAS DOING WITH ITS LOCAL CURRENCY COLLECTED FROM LEASEHOLDERS. ASRAT REPLIED THAT MONEY WAS EIMPLY PILING UP IN THE CBE ACCOUNT.
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Message Attributes

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Draft Date: 09 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellEO
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Margaret P. Grafeld
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To: STATE
Type: TE
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